D.B. INCOME TAX APPEAL NO.81/2005
Commissioner of Income Tax-II, Aaykar Bhawan, Jodhpur
Vs.
The Branch Manager, Life Insurance Corporation of India,Barmer

DATE OF ORDER : 14.08.2007

HON'BLE MR. JUSTICE P.B. MAJMUDAR
HON'BLE MR. JUSTICE DEO NARAYAN THANVI

Mr. K.K.Bissa for the appellant.
Mr. J.L.Purohit for the respondent.

BY THE COURT : (PER MAJMUDAR,J.)

This appeal is directed against the order dated 21.2.2003 passed by the Income Tax Appellate Tribunal, Jodhpur Bench, Jodhpur in ITA No.125(JDPR)/1998 for assessment year 1997-98.

The Tribunal decided two appeals by a common order passed in ITA No.125/JDPR/1998 for assessment year 1997-98 as well as ITA No.126(JDPR)/1998 for assessment year 1996-97. The Tribunal while deciding the said appeals has followed the decision given by this Court in the case of LIC Vs. U.O.I. & Ors., reported in (2003) 179 CTR 432 and held that the Development Officers of LIC are entitled to exemption under Section 10(14) in respect of conveyance allowance and additional conveyance allowance upon satisfying the condition that such allowance have actually been spent for the purpose for which they were given. On that basis, the Tribunal dismissed both the appeals preferred by the Revenue. It has been pointed out to this Court that the decision on which reliance has been placed by the Tribunal in the

case of LIC Vs. U.O.I. (supra), Special Leave to Appeal was preferred before the Hon'ble Supreme Court but the same has not been entertained on the ground of delay. Even, on merits of the case also, the Hon'ble Supreme Court has observed that the amount of conveyance allowance paid to the Development Officers is to be treated as exempted from tax and no tax need be deducted at source from the monthly payment made to the Development officers.

Since the Division Bench's judgment of this Court has been confirmed by the Hon'ble Supreme Court and since the Tribunal has relied upon the said decision of this Court, we do not find any substance in this appeal. This Court has already dismissed identical appeal being D.B.Income Tax Appeal No.5/2004 (Commissioner of Income Tax-II Aaykar Bhawan, Jodhpur Vs. The Branch Manager, Life Insurance Corporation of India, Balotra), arising out from the same order. In our view, no substantial question of law arises for determination in this appeal.

Accordingly, the appeal stands dismissed.

(DEO NARAYAN THANVI), J. **(P.B.MAJMUDAR), J.**

ms rathore